



# Division of Banking and Financial Institutions

## Overview

**Department of Administration Director:**

Misty Ann Giles, Appointed 2021 by Governor

**Commissioner of Banking:**

Melanie Hall, Appointed January 18, 2011

The Division of Banking and Financial Institutions became a division of the Department of Administration under 2001 legislation. Previously the Commissioner of Banking and Financial Institutions reported to the Department of Commerce. The Director of the Department of Administration appoints the Commissioner of Banking and Financial Institutions. All statutory duties exercised by the division are carried out on behalf of the Department of Administration. The State Banking Board may be consulted regarding the hiring or termination of the commissioner. The commissioner's position is exempt from the state classification and pay plan under 2-18-103, MCA.

## Duties/Responsibilities

Licenses, examines, or regulates the following MCA provisions:

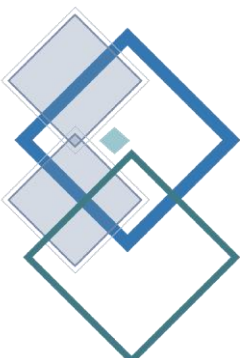
- The Bank Act, Title 32, chapter 1
- Building and Loan Associations, Title 32, chapter 2
- The Montana Credit Union Act, Title 32, chapter 3
- The Montana Consumer Loan Act, Title 32, chapter 5
- The Electronic Funds Transfer Act, Title 32, chapter 6
- Escrow businesses, Title 32, chapter 7
- The Montana Mortgage Act, Title 32, chapter 9
- The Business and Industrial Development Corporation Act, Title 32, chapter 11
- The Retail Installment Sales Act, Title 31, chapter 1, part 2
- The Deferred Deposit Loan Act, Title 31, chapter 1, part 7

Licensee Types	As of 9/2021
State-chartered Banks	37
State-chartered Branch Banks	473
State-chartered Credit Unions	10
State-chartered Trust Companies	358
State-chartered Sales Finance Companies	177
State-chartered Escrow Companies	9
Mortgage Broker Entities*	9
Mortgage Broker Branches*	250
Mortgage Lender Entities*	210
Mortgage Lender Branches*	485
Mortgage Servicer Entities*	172
Mortgage Servicer Branches*	111
Mortgage Loan Originators*	4,807
*Information from Rule Notice 2-59-618	

## Goals

The Division's website states its mission is "to protect Montana citizens by regulating state-chartered and licensed financial institutions under its supervision." Stated goals are to:

- Protect Montanans who enter into consumer and residential mortgage loans with non-depository lenders from abuses that may occur in the credit marketplace;
- Raise the regulator standards for financial services regulation in Montana;
- Provide Montana citizens with a safe and sound system of state-chartered financial institutions;
- Promote the dual regulatory system that allows state and federal governments to act independently to charter, regulate, and supervise financial institutions for the good of Montanans;



### Goals, cont.

- Improve the distribution of information and services through web-based tools; and
- Create and maintain a highly qualified, professional, diverse, and responsive workforce.

### Funding

State special revenue funding for the division is based on fees assessed against the financial services that are regulated. During the 2021 biennium, two of four semi-annual assessments were waived to support depository financial institutions in their initial response to COVID-19. The 2023 biennium budget is higher than the 2021 biennium budget, partly due to increasing costs of regulating financial institutions with consistently increasing asset sizes.

State Special Revenue	Total All Sources
\$2,120,772	\$2,120,772

### Legislative Audits

The Division of Banking and Financial Institutions is within the Department of Administration. The most recent (2020) audit did not specify any concerns about DBFI.

### Possible Topics of Interest

- Impact of COVID-era programs on bank balance sheets.
- Keeping up with FinTech from a regulatory perspective.
- Marijuana banking regulations.

### History

Banking laws first took effect in Montana in 1927. Laws regulating credit unions went into effect in 1975, two years after the 1973 Legislature created a State Banking Board. The Division of Banking and Financial Institutions moved to its current home in the Department of Administration in 2001 as part of a legislative reorganization moving some Department of Commerce regulatory functions to the Department of Administration.

### State Banking Board

The State Banking Board's main duty is to make final determination regarding formation of a new bank. The board, created under 2-15-1025, MCA, may act as an adviser on banking-related activities and may review decisions and hold hearings upon the request of the department or an application in relation to formation, closure, consolidation, merger, or sale of a bank or branch bank. Members are limited to 2 terms of 3 years each. The State Banking Board has not met since June 2014.

Banking Board Members	Representing	Term Expires
Loren Brown, Helena	Active officer in state bank	6/30/2024
Sarah Converse, Great Falls	Public representative not a bank officer, director, shareholder	6/30/2024
Bill Davies, Billings	Officer, national bank doing business in Montana	7/1/2022
Kevin Davis, Missoula	Public representative not a bank officer, director, shareholder	6/30/2022
Jim Powell, Bozeman	Public representative	6/30/2023
Thomas Swenson, Missoula	Active officer in state bank	7/1/2023